Revision: HCFA-PM-92-4 AUGUST 1992 (HSQB)

Attachment 4.30 Page 1

State/Territory:

California

## Citation

## Sanctions for Psychiatric Hospitals

1902(y)(1), 1902(y)(2)(A), and Section 1902(y)(3) of the Act (P.L. 101-508, Section 4755(a)(2)) (a) The State assures that the requirements of section 1902(y)(1), section 1902(y)(2)(A), and section 1902(y)(3) of the Act are met concerning sanctions for psychiatric hospitals that do not meet the requirements of participation when the hospital's deficiencies immediately jeopardize the health and safety of its patients or do not immediately jeopardize the health and safety of its patients.

1902(y)(1)(A) of the Act

(b) The State terminates the hospital's participation under the State plan when the State determines that the hospital does not meet the requirements for a psychiatric hospital and further finds that the hospital's deficiencies immediately jeopardize the health and safety of its patients.

1902(y)(1)(B) of the Act

- (c) When the State determines that the hospital does not meet the requirements for a psychiatric hospital and further finds that the hospital's deficiencies do not immediately jeopardize the health and safety of its patients, the State may:
  - terminate the hospital's participation under the State plan; or
  - provide that no payment will be made under the State plan with respect to any individual admitted to such hospital after the effective date of the finding; or
  - 3. terminate the hospital's participation under the State plan and provide that no payment will be made under the State plan with respect to any individual admitted to such hospital after the effective date of the finding.

1902(y)(2)(A) of the Act

(d) When the psychiatric hospital described in (c) above has not complied with the requirements for a psychiatric hospital within 3 months after the date the hospital is found to be out of compliance with such requirements, the State shall provide that no payment will be made under the State plan with respect to any individual admitted to such hospital after the end of such 3-month period.

TN No. 94-014 Supersedes TN No.

## Sanctions for Psychiatric Hospitals

California assures that the requirements of Section 1902(y)(1), (y)(2), and (y)(3) of the Act (with all the subsections inclusive) are met concerning sanctions for psychiatric hospitals that do not meet the requirements of participation under the Medicaid Program.

California's State law (Section 14123 of the California Welfare and Institutions Code) permits the director of the State Department of Health Services to suspend a provider of service under the Medicaid program for violation of any provision of rule or regulation promulgated by the director or for violation of related state statute. The provider is automatically suspended upon the conviction of any crime involving fraud or abuse of the Medicaid program. The suspension may be for a definite or indefinite period of time and with or without conditions or may be imposed with the operation of the suspension stayed or probation granted. Appeal procedures are provided.

In reference to Section 1902(y)(2)(A), the suspension by the director of any provider of service shall preclude the provider from submitting claims for payment for any services or supplies the provider has provided under the program starting from the date of the suspension. Notice of suspension must be sent to the Department's Licensing and Certification Program.